



# Course Outline

## Target Participant

The course can be useful for enhancing basic knowledge of employee working in credit of banks and financial institutions.

## Prerequisites

Employee with minimal 1 year of experience in credit related areas of bank and financial institution.

Total Hours 40 hours (2400 minutes)

|   |             |
|---|-------------|
| 1. Bank's Role in Mobilizing Deposits <ul style="list-style-type: none"><li>• Banks and financial institution's role in economy.</li><li>• Effective mobilization of deposit.</li><li>• Fiduciary duty towards depositors.</li></ul>  | 60 Minutes  |
| 2. Principles of Advancing Credit Facilities <ul style="list-style-type: none"><li>• Engage in a credit facility that has following characteristics:<br/><i>Economic sense, clear and transparent purpose, viable, clear source of repayment and tangible security.</i></li><li>• Avoid a credit facility that has following characteristics:<br/><i>Informal investments, ever-greening of loan, concentration (customer or industry) of risk.</i></li><li>• Be mindful of:<br/><i>Pricing of risk, source of fund, funding maturity gap, ethical and moral values, etc.</i></li></ul> | 60 Minutes  |
| 3. Types of Credit Facilities and Risks <ul style="list-style-type: none"><li>• Funds based - overdraft and loans.</li><li>• Non-funds based - letter of credit, guarantee etc.</li><li>• Other facility- foreign exchange dealing.</li></ul>   | 240 Minutes |
| 4. Retail Credit Exposure <ul style="list-style-type: none"><li>• Some key retail credit exposures - features and risks.</li></ul>  | 240 Minutes |

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| <p>5. Basic Fundamentals of Product-Based (Standardized) Credit Exposure</p> <ul style="list-style-type: none"><li>• Credit facilities that can be managed/controlled by way of a standard product document.</li><li>• Basic criteria.</li><li>• Loan to value (LTV) ratio.</li><li>• Repayment as a percent of cash surplus.</li><li>• Equated monthly or quarterly installment (EMI, EQI etc.) for repayment.</li><li>• Pricing of risk.</li></ul>  | 240 Minutes |
| <p>6. Standalone Credit Exposure</p> <ul style="list-style-type: none"><li>• Basic Information required to process standalone credit exposure.</li><li>• Borrowing cause and possibility of diversion of funds.</li><li>• Assessment of limits for credit facility.</li><li>• Terms of credit facility - revolving or terminating, tenure, interest rate and fees etc.</li><li>• Use of spreadsheets to analyze financial statements.</li><li>• Risk assessment - non-financial risks, financial and cash flow risks, facility structure risk, account performance risk etc.</li><li>• Terms, conditions and covenants.</li></ul>     | 660 Minutes |
| <p>7. Security</p> <ul style="list-style-type: none"><li>• Acceptable tangible security: land, building, shares, bonds, current assets, vehicle, fixed and other assets.</li><li>• Personal guarantee, corporate guarantee and cross guarantee.</li><li>• Valuation of security: Professional valuation, in-house valuation, fair market value (FMV) and distress value (DV).</li><li>• Nature of charge: lien, pledge, registered/unregistered mortgage and hypothecation charge recorded as per Secured Transaction Registry Act.</li><li>• Pledge over shares/bonds of public limited company and government securities.</li></ul> | 240 Minutes |
| <p>8. Credit Administration and Monitoring</p> <ul style="list-style-type: none"><li>• Assessment of borrowing power.</li><li>• Inspection of stock and receivables.</li><li>• Insurance of stock and assets.</li><li>• Monitoring of progress of project or capital expenditure.</li></ul>   | 240 Minutes |

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| 9. Credit Process <ul style="list-style-type: none"><li>• Pre-approval stage.</li><li>• Post-approval stage.</li></ul>  | 120 Minutes |
| 10. Syndication of Loan and Credit Facilities <ul style="list-style-type: none"><li>• Basic concept of loan syndication.</li><li>• Role of lead and participating bank.</li><li>• Inter-creditor issues.</li></ul>  | 120 Minutes |
| 11. Compliance <ul style="list-style-type: none"><li>• Classification of credit and provision for loan loss.</li><li>• Single obligor limit.</li><li>• Credit information and blacklisting.</li><li>• Interest rate.</li><li>• Anti-money laundering.</li><li>• Provisions related to availing loans as per Company Act.</li><li>• Banking Offence and Punishment Act related provisions.</li></ul> | 240 Minutes |

Duration : 26 Sessions

Date : 14th to 24th December 2018

Time : 14th (3:00pm to 6:00pm), 15th (9:00am to 4:15pm), 16th to 20th (7:30am to 11:00am), 21st (3:00pm to 6:00pm), 22nd (9:00am to 4:15pm), 23rd & 24th (7:30am to 11:10am) December 2018

Methods : Presentations, Group Discussion, Case Studies

Fee : Nrs. 33,000 + VAT

Venue : NBI Hall, Kathmandu.



### Trainer Profile

Mr. Ajay Shrestha

Former CEO

Bank of Kathmandu Ltd.

Mr. Shrestha, a Senior Banker carries 3 decades of professional banking experience having started career journey from Standard Chartered Bank Nepal Ltd. (the then Nepal Grindlays Bank Ltd.) and moving to NMB in a senior position subsequently to Bank of Kathmandu Ltd. in the post of CEO. He has an expertise in Credit & Corporate Banking.